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SUBJECT: LACK OF EDUCATION AND SKILL HINDERS EMPLOYMENT FOR UAE  
NATIONALS

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11. (SBU) Summary: With 80 percent or more of its residents expatriates, the UAE Government is very concerned about providing sufficient jobs for Emiratis, who face increasing employment challenges. Recent studies show that lower education, skill and experience hinder the "Emiratization" process and contribute to unemployment despite UAEG efforts. Although stereotypes about poor work ethic may sound discriminatory, Emirati employers are actually less likely than expatriate managers to hire Emirati nationals, according to field research by UAE University. Despite government efforts to promote the hiring of Emiratis, much unemployment remains voluntary. End Summary.

12. (SBU) Official figures put the total UAE population at 4,106,427, of which foreign employees and their families make up more than 80 percent; it is likely this understates the percentage of the UAE expatriate population. As a result of this demographic imbalance, the UAEG has sought to promote the employment of nationals (through "Emiratization") to combat rising unemployment among UAE nationals. According to a study conducted by the National Human Resources Development and Employment Authority (TANMIA), the UAEG body tasked to implement Emiratization, UAE national unemployment reached 13.5 percent in 2008. The study revealed that poor educational qualifications hinder the Emiratization process: 84 percent of the total Emirati labor force of 428,391 has only completed secondary education or less (38 percent completed secondary school, 22 percent middle school, 8 percent primary school only, 6 percent have no formal education and 9 percent are illiterate). While many expatriates are unskilled laborers, statistics show that Emirati education levels largely mirror those of the resident expatriate demographic. Thus, while the UAE is trying to create a modern economy, only about 75,000 Emiratis have some form of tertiary education. (Note: And that's about the number of millionaires in the UAE. End note.)

13. (SBU) In addition to undertaking educational reform, the UAEG has taken steps to promote national employment in both the public and private sectors. In the government sector, expatriates have often been replaced by nationals by government decree. In the private sector, the UAEG set annual Emiratization targets of 4 percent in banking, 5 percent in insurance, and 2 percent in a trading company that employs 50 workers or more, 100 percent of public relation officers in a company with over 100 workers, and 100 percent of secretarial jobs in a company with 50 workers and above. The government also gives financial rewards to companies that meet Emiratization targets. (Note: Reftel comments on how some companies cook the books to meet this target, or pay Emiratis to be on their roles without working. End note.)

14. (U) Despite these efforts, Emiratization remains a challenge. UAE Vice President, Prime Minister and Dubai Ruler Sheikh Mohammed bin Rashid Al Maktoum recently complained that Emiratis made up only 54 percent of UAE ministry employees and just 25 percent of staff in other federal departments. The progress of Emiratization in the private sector is even worse. According to press reports, only 13,000 Emiratis are currently employed with private companies, about 0.4 percent of the sector's workforce.

¶15. (U) A recent UAE University study based on interviews with 120 senior private sector managers revealed that 73 percent of Emirati and expatriate employers report Emiratis lacked necessary education, job skills and experience. Employee attitudes were also reported to be problematic. Almost thirty percent of respondents said Emiratis had unrealistic salary expectations; 17 percent said they had unrealistic promotion expectations; 13 percent said they believed Emirati staff would be unproductive and unmotivated. Somewhat surprisingly, Emirati employers were more concerned than expatriates about how hiring local staff would affect their businesses, with 86 percent concerned that local employees were not qualified, compared to 61 percent of foreign employers. Recognizing the importance of Emiratization quotas, 12 percent of foreign employers said they were looking for Emiratis to hire regardless of their qualifications.

¶16. (SBU) Comment: In addition to the challenges of developing educated and qualified Emirati employees, many contacts report that the government's efforts are challenged by nationals' attitudes about work. UAE nationals still prefer jobs in the relatively elite and low intensity public sector over the burgeoning private sector (unless for a family concern). Further, UAE nationals reportedly demand limited hours and higher salaries and benefits than foreign workers. While some hope the economic slowdown and new labor policies will promote Emirati employment (reftel), it is clear the UAE has a long way to go before the majority of private sector employees are nationals. End Comment

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